



General Assembly

Substitute Bill No. 469

January Session, 2011

* ____SB00469INS__031711__ *

AN ACT REQUIRING CERTAIN DISCLOSURES FOR LONG-TERM CARE POLICIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (c) of section 38a-501 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective*
3 *October 1, 2011*):

4 (c) (1) No such company, society, corporation or center may deliver
5 or issue for delivery any long-term care policy without providing, at
6 the time of solicitation or application for purchase or sale of such
7 coverage, full and fair written disclosure of the benefits and limitations
8 of the policy.

9 (A) Such disclosure shall include:

10 (i) A statement that the policy may be subject to rate increases in the
11 future;

12 (ii) An explanation of potential future premium rate revisions and
13 the policyholder's option in the event of a premium rate revision;

14 (iii) The premium rate or rate schedule applicable to the applicant
15 that will be in effect until a request is made by such company, society,
16 corporation or center for an increase in such rate or rate schedule;

17 (iv) Information regarding each premium rate increase, if any, over
18 the past ten years on such policy form or similar policy forms for this
19 state or any other state, that identifies, at a minimum, (I) the policy
20 forms for which premium rates have been increased, (II) the calendar
21 years when each such policy form was available for purchase, and (III)
22 the amount or percentage of each increase. The percentage may be
23 expressed as a percentage of the premium rate prior to the increase or
24 as minimum and maximum percentages if the rate increase is variable
25 by rating characteristics; and

26 (v) A completed copy of Appendix F of Volume IV, Model 641-1 of
27 the National Association of Insurance Commissioners' Long-Term
28 Care Insurance Model Regulation.

29 (B) At the time such policy is executed, the policyholder shall initial
30 a copy of the disclosure and the company, society, corporation or
31 center shall retain such copy.

32 (2) If the offering for any long-term care policy includes an option
33 for the elimination period specified in subdivision [(2)] (1) of
34 subsection (a) of this section, the application form for such policy and
35 the face page of such policy shall contain a clear and conspicuous
36 disclosure that the irrevocable trust may not be sufficient to cover all
37 costs during the elimination period.

38 Sec. 2. Subsection (c) of section 38a-528 of the general statutes is
39 repealed and the following is substituted in lieu thereof (*Effective*
40 *October 1, 2011*):

41 (c) (1) No such company, society, corporation or center may deliver
42 or issue for delivery any long-term care policy without providing, at
43 the time of solicitation or application for purchase or sale of such
44 coverage, full and fair written disclosure of the benefits and limitations
45 of the policy.

46 (A) Such disclosure shall include:

47 (i) A statement that the policy may be subject to rate increases in the
48 future;

49 (ii) An explanation of potential future premium rate revisions and
50 the policyholder's or certificate holder's option in the event of a
51 premium rate revision;

52 (iii) The premium rate or rate schedule applicable to the applicant
53 that will be in effect until a request is made by such company, society,
54 corporation or center for an increase in such rate or rate schedule;

55 (iv) Information regarding each premium rate increase, if any, over
56 the past ten years on such policy form or similar policy forms for this
57 state or any other state, that identifies, at a minimum (I) the policy
58 forms for which premium rates have been increased, (II) the calendar
59 years when each such policy form was available for purchase, and (III)
60 the amount or percentage of each increase. The percentage may be
61 expressed as a percentage of the premium rate prior to the increase or
62 as minimum and maximum percentages if the rate increase is variable
63 by rating characteristics; and

64 (v) A completed copy of Appendix F of Volume IV, Model 641-1 of
65 the National Association of Insurance Commissioners' Long-Term
66 Care Insurance Model Regulation.

67 (B) At the time such policy is executed, the policyholder shall initial
68 a copy of the disclosure and the company, society, corporation or
69 center shall retain such copy.

70 (C) The policyholder shall provide to each eligible individual a copy
71 of the disclosure.

72 (2) The provisions of this subsection shall not be applicable to: [(1)]
73 (A) Any long-term care policy which is delivered or issued for delivery
74 to one or more employers or labor organizations, or to a trust or to the
75 trustees of a fund established by one or more employers or labor
76 organizations, or a combination thereof, for employees or former

77 employees or a combination thereof or for members or former
 78 members or a combination thereof, or the labor organizations; and [(2)]
 79 (B) noncontributory plans.

80 Sec. 3. Section 38a-458 of the general statutes is amended by adding
 81 subsection (e) as follows (*Effective October 1, 2011*):

82 (NEW) (e) Any life insurance policy with long-term care benefits
 83 issued pursuant to this section shall comply with the disclosure
 84 requirements set forth in subdivision (1) of subsection (c) of section
 85 38a-501, as amended by this act.

86 Sec. 4. Section 38a-458a of the general statutes is repealed and the
 87 following is substituted in lieu thereof (*Effective October 1, 2011*):

88 (a) Notwithstanding the provisions of sections 38a-430, 38a-481 and
 89 38a-501, as amended by this act, or any regulation adopted pursuant to
 90 said sections, an insurer licensed for both life and health insurance in
 91 this state may combine the following coverages, by rider or otherwise,
 92 within a single-premium policy or contract: (1) Life or endowment
 93 insurance or annuity, survivorship annuity or pure endowment
 94 insurance; and (2) long-term care insurance.

95 (b) Any insurer that combines long-term care insurance coverage
 96 with other coverages, as set forth in subsection (a) of this section, shall
 97 comply with the disclosure requirements set forth in subdivision (1) of
 98 subsection (c) of section 38a-501, as amended by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2011</i>	38a-501(c)
Sec. 2	<i>October 1, 2011</i>	38a-528(c)
Sec. 3	<i>October 1, 2011</i>	38a-458
Sec. 4	<i>October 1, 2011</i>	38a-458a

INS Joint Favorable Subst.

